

① once, on principal only

② interest on principal + interest

③ a) $I = 500 \times 0.03 \times \frac{1}{12} = 1.25 \rightarrow 501.25$

b) $I = 501.25 \times 0.03 \times \frac{1}{12} = 1.25 \rightarrow 502.50$

c) $I = 502.50 \times 0.03 \times \frac{1}{12} = 1.26 \rightarrow 503.76$

d) $I = 503.76 \times 0.03 \times \frac{1}{12} = 1.26 \rightarrow \505.02

④

$$A = P \left(1 + \frac{r}{n} \right)^{(n \times t)}$$

↑ amount in account
 ← principal
 ↑ rate
 ↑ # of times get interest per year
 ← time (yr)

⑤

Daily = 365	Quarterly = 4
Weekly = 52	Semi-annually = 2
monthly = 12	

⑥ a

$$A = 3450 \left(1 + \frac{0.035}{12} \right)^{(12 \times 7 \frac{1}{2})}$$

\$3521.06

⑥

$$\begin{array}{r} 3521.06 \\ - 3450.00 \\ \hline \end{array}$$

\$71.06

$$\textcircled{7} \quad A = 12,345 \left(1 + \frac{0.04}{4} \right)^{(4 \times \frac{7}{12})}$$

$$A = \$12,634.97$$

$$\textcircled{6} \quad \$289.97$$

8) (a) \$1236.27 (b) \$36.27

9) (a) \$824.18 (b) \$24.18

10) \$907.95

11) \$4957.69

12) (a) \$9712.12 (b) \$168.13